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C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 003462

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SUBJECT: BARINAS STATE: OPPOSITION UNABLE TO CAPITALIZE ON
CHAVISTA DIVISIONS

REF: CARACAS 002845

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Classified By: ACTING POLITICAL COUNSELOR DANIEL LAWTON,
REASONS 1.4 (B) AND (D)

1. (C) Summary. President Chavez' campaign team announced that Chavez will hold one of his last major campaign rallies in his native state of Barinas. Chavez is an odds-on favorite to carry the western plains state of Barinas, but he is not running as strong as might be expected in a state where his father is the sitting governor. Chavez' campaign team has set a goal of securing the support of only 55 percent of Barinas voters. A rift between Chavez' brother (a key state official) and the Barinas City mayor, both members of the ruling Fifth Republic Movement (MVR), has weakened local pro-government parties and voter frustration with local officials' corruption and inability to deliver appears to be increasing there. The opposition, however, has so far been unable to capitalize on Chavez' vulnerability as it struggles to rebound from past defeats. End Summary.

Is this the Revolution?

2. (C) President Chavez is set to hold his final campaign rally in his home state of Barinas on November 25. Poloff visited Barinas in late September and met with a variety of government, opposition, civil society, and business leaders. Chavez' father, Hugo de los Reyes Chavez, has been the Governor of this central plains state since 2000. Barinas industry includes some oil and gas production, livestock, agriculture, and a nascent ecotourism sector. It has a high unemployment rate, despite several ongoing construction projects, including a new Eurobuilding hotel, three shopping centers, and road projects in preparation for the 2007 Copa America Soccer Tournament.

3. (C) Like in most of Venezuela, Barinas has a steadily increasing crime rate, few prospects for job growth, and a significant housing shortage that has prompted several squatters' invasions. Marcos Garrido, President of the Barinas municipal legislature, an MVR official, admitted to poloff that there was no money for projects as everything was controlled by either the Governor or the Barinas City Mayor. Cooperative and consejo comunal leaders complained of the difficulties and excessive red tape they encounter when trying to obtain funding for projects or basic services, like

trash collection. Medical workers told poloff the hospital system has steadily declined and that most people generally found local clinics more reliable than the Barrio Adentro medical missions. A retired teacher, now a Sumate leader, also noted that the school system from primary schools to Bolivarian universities was also in shambles.

Chavismo Divided and Debilitated. . .

¶4. (C) An ongoing feud between Chavez' brother, Argenis, who is Secretary of State for the Barinas Governor, and Barinas City Mayor Julio Cesar Reyes is undermining the popular appeal of Chavismo in Barinas. This split has reverberated through all local pro-government political organizations, including the local branches of ruling coalition parties Podemos and Patria Para Todos (PPT). Chavez and Reyes' constant positioning for influence also shut out would-be Podemos and PPT candidates in the 2005 local and legislative elections, adding to general friction between the three blocs. Most political leaders spend their time shuffling between the two sides in search of personal benefits and profiting from their elected positions.

¶5. (C) The competition and resulting opportunism of local leaders has left much of the Chavista base disillusioned with local party representatives. Moreover, Chavista leaders, including PPT Barinas State Secretary Elizabeth Henriquez, said there was not much enthusiasm for this year's campaign, particularly compared to the 2004 recall referendum, partly because of poor community leadership. Garrido agreed and said it was increasingly difficult to recruit people for pro-government marches not featuring Chavez himself. Similarly, MVR barrio organizer and community council leader Natalio Realza told poloff he has had difficulty recruiting people for the "batallones" and "pelotones" of Chavez'

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campaign structure (Ref A). Most people, tired of empty campaign promises and the municipal government's failure to deliver basic needs to the barrio, have told him they won't participate without some compensation, and he claimed he's been given nothing to offer them.

. . . but Chavez still Strong

¶6. (C) Despite the disappointment, Chavez is expected to win in Barinas, as most supporters appear to maintain faith in the "Bolivarian revolution" and the prospects for change it seems to represent. This sentiment was probably best portrayed by Ines, an unlikely but die-hard upper middle class Chavez activist. Squatters (encouraged by Chavez' rhetoric) invaded part of her land, and students at a Bolivarian university she attends have accused her of not being loyal enough to the revolution. She ran for a municipal council seat on the MVR ticket advocating social development, and lost to another cohort who sponsored a subsidized grocery mart ("mercal") on election day. Like many, she admits to being fed up with the party's increasingly radical bent and corruption in mid-level leadership, but still clings to hope that conditions will change. When asked about opposition challenger Manuel Rosales, Chavez supporters said they sensed little difference between him and past "Fourth Republic" or pre-Chavez governments. Few were enticed by his "Mi Negra" debit card program for distributing oil revenues.

Opposition Frustrated, Fractured, and Resigned

¶7. (C) Opposition contacts viewed Rosales' campaign as a good springboard for them to rebuild in the future, but saw little

hope for December, partly because they are still struggling to overcome their discredited past. During a roundtable discussion with poloff, representatives from Copei, Accion Democratica, Teodoro Petkoff's defunct campaign, and Movement Toward Socialism noted widespread voter apathy, while a young Primero Justicia leader blamed stale local leadership. One participant interjected that the opposition "could plan all they wanted to, but wouldn't be able to do anything until Chavez was gone." Poloff asked what issues the parties had honed in on to animate supporters, but received few responses.

18. (C) The local head of Rosales' Un Nuevo Tiempo (UNT) party, who had recently converted from another opposition party, said UNT had experienced steady growth in its first few months in the state. Interestingly, he and the Zulian leader of Rosales' campaign in Barinas quickly lost interest in the roundtable meeting and abruptly left shortly after the discussion started, suggesting a certain disunity among the opposition. Poloff noted that a Rosales march a few days before her visit had seemed pretty well attended, but someone later claimed that former presidential pre-candidate Sergio Omar "Cura" Calderon had bussed people in from nearby Tachira State.

19. (C) Poloff found a little more hope among civil society members. A Sumate representative told poloff the local chapter was preparing to train opposition supporters as polling station witnesses. A local minister, who is also a labor leader, said many of his parishioners and fellow union members were fed up with the government's failure to improve infrastructure and living standards and have talked about supporting Rosales. Still, all expected Chavez to carry the state as people tend to vote with their stomachs and would be loath to risk their government jobs, Mercals, and mission benefits on a candidate they weren't sure would win.

Business Sector Trying to Hold On

10. (C) Poloff met separately with the Barinas Chamber of Commerce (CoC) and Edith Mora, a representative from an organization of small business owners. CoC President Rafael Clarenzio Gonzalez, an Argenis Chavez supporter, said business was good. However, the private sector was frustrated with the local government's economic policy, specifically the lack of a development strategy, and

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concerned about the rapid growth of the informal sector compared to the formal side. Gonzalez said the lack of a sound court system, recent expropriations, and the missions -- which he described as a disincentive to work -- were major barriers to economic development. Gonzalez also said he had repeatedly raised these issues with the Governor's office, but his appeals had fallen on deaf ears. Separately, Mora said most small business proprietors are scared of potential retribution should they be caught supporting the opposition and are thus keeping their heads down.

USAID Having An Impact

11. (C) In contrast to the opposition, a local USAID partner has capitalized on the splits in Chavismo, incorporating government and pro-Chavez party leaders into democracy promotion programs. Most of the people poloff met with, including Chavistas, were participants in these programs and were grateful for the opportunity. Several had successfully gone on to create their own NGOs, draft laws that were eventually approved, or organize their communities to carry out social impact projects. Chavez supporters also expressed concern about radical Chavistas' attempts to expose their programs and approved of USAID's attempts to conceal their

identities.

Comment

¶12. (C) Barinas voters' resilient faith in Chavez and his revolution despite the state's steady economic, political, and social decline, corruption, and concerns about Chavez' radicalism suggests Rosales still faces a difficult task in winning over the "Chavista-lite" voters needed to defeat Chavez. Fear within the private sector and lack of political direction among provincial opposition leaders is not helping either. The complaints of Chavez supporters nevertheless substantiate conventional wisdom that Chavez is not as popular as he once was and offer a glimpse into issues that could eventually erode Chavez' legitimacy. The Barinas experience also shows the potential of USAID programs to expose the shortfalls of the revolution and, if expanded could, over time, cultivate new civil society leadership essential to a vibrant and authentic Venezuelan democracy. Post will deploy two officers to Barinas as part of its informal election observation effort.

WHITAKER